

PRESS RELEASE

Attorney General Frosh Joins Multi-State Coalition to Oppose Federal Rollback of Overtime Protections

BALTIMORE, MD (May 21, 2019) - Maryland Attorney General Brian E. Frosh today joined a coalition of 15 attorneys general in <u>urging</u> the U.S Department of Labor (DOL) not to adopt its proposal to reverse federal overtime protections for workers. It is estimated that under the proposed rule, more than 8 million workers will lose overtime protections.

"Employees and state agencies that enforce our labor laws depend on the Department of Labor to provide meaningful protections to workers," said Attorney General Frosh. "Reversing this rule without explanation may be a violation of the Administrative Procedure Act, and will leave millions of workers vulnerable to losing overtime protections."

DOL's proposed rule would change the white-collar exemptions under the Fair Labor Standards Act (FLSA), which currently exempts from overtime protections for those in executive, administrative, and professional "white-collar" positions. In order for an employer to classify an employee as exempt, the employee must:

- Be paid a fixed salary (the "salary basis test");
- Be paid a minimum specified salary (the "salary level test"); and
- Have a job with duties that are executive, administrative, or professional in nature (the "duties test").

In 2016, DOL adopted a rule that raised the minimum salary level set in 2004 from a \$455 in weekly earnings to \$913 in weekly earnings. This change resulted from a review which concluded that the higher salary level would be an effective way to protect employees against misclassification and would be consistent with DOL's historical practice. DOL also included an automatic updating provision that would increase the salary level every three years. The Trump Administration's proposed rule seeks to rescind the 2016 Final Rule by lowering the salary level from \$913 to \$679 and would eliminate the automatic updating provision.

The comment letter details the state's concerns that DOL's weakening of the salary level test will make it harder for the states to enforce labor laws, and it will lead to more FLSA violations by employers who misclassify workers as white-collar employees.

In addition to Maryland, the comment letter was signed by the attorneys general of California, Connecticut, Delaware, Illinois, Massachusetts, Minnesota, New Jersey, New Mexico, New York, Pennsylvania, Rhode Island, Virginia, Washington and the District of Columbia.